- **The most striking contribution of the WADI programme is empowerment of the people to organize their affairs successfully. Though lack of basic infrastructural facilities like schools, banks, health centres, telephone, bus service etc., at village level, WADI has given way to many successful entrepreneurs in these remote villages.**

Clearance of projects for infrastructure development

1653. DR. NARAYAN SINGH MANAKLAO: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Investment Commission has cleared few projects for infrastructure development in various States;

(b) if so, the details of such projects, State-wise;

(c) the criteria for selection of projects location; and

(d) the projects that have been conceived for the State of Rajasthan and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (d) The Commission does not clear projects.

Unsustainable fiscal liabilities of Kerala

1654. SHRI N.K. PREMACHANDRAN: Will the Minister of FINANCE be pleased to state:

(a) whether the CAG report for 2004 relating to Kerala shows the fiscal liabilities of the State as unsustainable;

(b) if so, how far the adverse trend influence the revenue receipts;

(c) what is the total amount of loan availed from ADB till May, 2005 including the rate of interest and conditions of repayment therein; and

(d) whether there is any direct relationship between the growing fiscal deficit and the loan availed from ADB and if so, upto what extent?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) The consolidated debt and fiscal liabilities of Government of Kerala as a ratio of their total revenue receipts,

works out to 450.56%, as at the end of March 2004, according to the CAG's Finance Accounts of the State for the year 2003-04. This ratio is substantially higher than the bench mark level of 300%, for a general category State, to be considered as a debt stressed State, under the guidelines on debt sustainability analysis for States availing external loan assistance from bilateral and multilateral agencies.

(c) The total amount of ADB loan disbursed to Government of Kerala as on 31.5.2005 is US $ 200 million. This amount has gone to State as ACA. The principal is to be repaid by Government of India to ADB in 15 years, after an initial grace period of three years, at an interest rate of 60 basis points over six months US $ LIBOR. From the current financial year, Government of India has decided to pass on all such external loans on a 'back-to-back basis' to States.

(d) The ADB loan, a programme loan for 'Modernising Government and Fiscal Reforms in Kerala', has been designed to enhance the State's revenue and rationalize its expenditure, which are likely to set-off, increase in the fiscal deficit, if any, on account of availing the loan.

Financial assistance for infrastructure development in Karnataka

1655. SHRI K.B. KRISHNA MURTHY: Will the Minister of FINANCE be pleased to state:

(a) whether the State Government of Karnataka has requested NABARD to extend the financial assistance for infrastructure development in 39 most backward taluks under Kaigarika Vikasa Scheme;

(b) if so, which are the taluks identified for this purpose;

(c) the amount of financial assistance sought for; and

(d) the action, if any, taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir. NABARD has not yet received any formal proposal from State Government of Karnataka for financial assistance under Kaigarika Vikasa Scheme for infrastructure development of backward districts.

(b) to (d) Do not arise.